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**REPLY COMMENTS OF NEW DIREX, INC.  
IN SUPPORT OF PETITION NO. P1-08 FOR EXEMPTION FROM  
MANDATORY RATE TARIFF PUBLICATION**

FEDERAL MARITIME COMMISSION

**I. Introduction**

The following comments are submitted by New Direx, Inc. ("New Direx"), a Federal Maritime Commission ("FMC" or "Commission") licensed Ocean Transportation Intermediary.<sup>1</sup> It is New Direx's understanding that the FMC is considering a petition filed by the National Customs Brokers and Forwarders Association of America that would exempt non-vessel-operating common carriers ("NVOCC's") from the present requirement to establish, publish, maintain and enforce tariffs setting forth ocean freight rates. In short, New Direx supports the relief requested in the above-cited petition and calls on the FMC to proceed timely to implement this much needed regulatory reform measure.

**II. New Direx Supports and Urges Implementation of the Relief Proposed**

New Direx encourages the Commission to approve this exemption quickly. The current tariff publication rules serve no useful purpose in today's global marketplace. There may have been a valid reason for tariff publication (and filing requirements prior to the 1998 Ocean Shipping Reform Act) when the regulations were established decades ago. However, times and the international liner shipping and logistics industry have changed. We have moved toward a global economy; shippers have become sophisticated and it is time to update regulations so they correspond to today's commercial realities.

In my individual capacity, I have been associated with the NVOCC business for almost 25 years. During that time, I have personally met with hundreds of customers and

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<sup>1</sup> New Direx, Inc. holds FMC Ocean Transportation Intermediary license no. 014831NF.

In my individual capacity, I have been associated with the NVOCC business for almost 25 years. During that time, I have personally met with hundreds of customers and filed thousands of tariff rates. Not once has a customer ever inquired about rates on file with the FMC.

In our estimate, millions of dollars are spent on rate publishing. This is a waste of both private sector and taxpayer funds. NVOCC companies devote significant resources (i.e., employees, computer systems and payments to tariff bureaus) to publish rates that are seldom, if ever, accessed by the shipping public. Taxpayers lose because present regulations require the industry to maintain rate publishing systems and the FMC to focus its limited resources and staff on tariff compliance and enforcement activities, all for information (which though in the public domain) is not accessed by the public. The question needs to be asked: why spend millions of dollars to accumulate and regulate information that is basically archived, never used and serves no public or commercial purpose.

The ocean shipping public would be better serviced by eliminating unnecessary tariff publication regulatory requirements and associated costs. As the NVOCC industry consists of thousands of small and medium size companies, reduction of administrative costs achieved through relaxation of unnecessary regulatory requirements would eventually "trickle down" to the shipping public via lower costs.

Since the terrorist attacks of 2001, NVOCC's have had a significant amount of added costs associated with new and emerging security requirements, such as C-TPAT and the 24 hour advance manifest reporting requirements. The administrative costs incurred by both the private and public sectors for these programs are worthwhile and



serve a very useful purpose—keeping our nation safe. But the industry and especially small forwarding companies need “regulatory offsets” so limited resources can be invested in programs that benefit the shipping public and contribute toward our nation’s security. Again, as times change and new regulations are implemented to reflect a changing environment, perhaps some balance can be achieved by “sun setting” antiquated regulations such as the tariff publication requirements which no longer serve any meaningful purpose.

The Bush Administration has commented that small businesses are the economy’s economic engine. Unnecessary regulations, such as the requirement for tariff publication, unduly burden the small businesses that are integral to our nation’s economic success.

### **III. Conclusion**

We believe that the Commission has the specific statutory and regulatory authority to grant the relief sought in the pending petition. Moreover, the relief proposed speaks to the Ocean Shipping Reform Act’s call by Congress for the FMC to rely increasingly on private sector initiatives, less so on regulatory oversight. New Direx hopes that the FMC will consider these comments in the positive manner in which they are intended. We encourage the FMC to suspend NVOCC tariff publication requirement. This would have the beneficial effect of increasing competition for the shipping public and benefit small to medium size businesses by reducing administrative costs for NVOCC’s.

VERY TRULY YOURS,



JOHN SAMPSON

V.P. OF NEW DIREX, INC.

## John Sampson

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**From:** John Sampson [Jsampson@newdirex.com]  
**Sent:** Monday, September 08, 2008 3:24 PM  
**To:** 'secretary@fmc.gov'  
**Subject:** Petition P1-08 for exemption from mandatory rate tariff publication

**Attachments:** 20080908133915038.pdf



2008090813391503  
8.pdf (140 KB)...

Dear Secretary

Please see attached my reply in support of Petition p1-08 for the exemption from mandatory rate tariff publications.

I will also be sending 1 original and 15 copies to your Washington, DC address. I appreciate your time in reviewing this petition and I sincerely hope it passes.

Best regards

John Sampson  
VP of New Direx, Inc.

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Anyone wishing to do so would be required to file an original and 15 copies that is to be directed to the Assistant Secretary, Federal Maritime Commission, 800 North Capitol Street, NW, Washington, D.C. 20573. In addition, a copy of that is to be served on the NCBFAA General Counsel, Ed Greenberg, at 1054 Thirty-First Street, NW, Washington, 20007. The Commission's order also requires that a copy of those reply comments be submitted in electronic form by email to [secretary@fmc.gov](mailto:secretary@fmc.gov).